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**SHASTA WOMEN'S REFUGE, INC.
Redding, California**

**FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION WITH
INDEPENDENT AUDITORS' REPORTS**

June 30, 2008

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June 30, 2008

Shasta Women's Refuge, Inc.

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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Shasta Women's Refuge, Inc.
Redding, California

We have audited the accompanying statements of financial position (the Organization), a nonprofit organization, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements reflect the financial position of the Organization, as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2009, on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Organization, taken as a whole. The accompanying schedule of expenditures of federal awards and schedules of revenues and expenditures are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Matson and Isom

January 9, 2009

of financial position of Shasta Women's Refuge, Inc. as of June 30, 2008, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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STATEMENT OF FINANCIAL POSITION*Shasta Women's Refuge, Inc.*

June 30, 2008

ASSETS**CURRENT ASSETS**

Cash and cash equivalents	\$ 538,835
Accounts receivable	314,065
Prepaid expense	400
Rent contribution receivable	11,186
Total Current Assets	864,486

PROPERTY, BUILDINGS, AND EQUIPMENT

Net of accumulated depreciation	184,963
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OTHER ASSETS

Rent contribution receivable - net of current portion	101,292
Other assets	2,358
Total Other Assets	103,650

Total Assets**\$ 1,153,099****LIABILITIES AND NET ASSETS****CURRENT LIABILITIES**

Accounts payable	\$ 7,433
Accrued expenses	60,567
Deferred revenue	62,862
Total Liabilities	130,862

NET ASSETS

Unrestricted	900,111
Temporarily restricted	122,126
Total Net Assets	1,022,237

Total Liabilities and Net Assets**\$ 1,153,099***The accompanying notes are an integral part of these financial statement*

STATEMENT OF ACTIVITIES

Shasta Women's Refuge, Inc.

For the Year Ended June 30, 2008

REVENUE AND OTHER SUPPORT

	Unrestricted	Temporarily Restricted	Total
Donations	\$ 161,961	\$ 21,160	\$ 183,121
Governmental contracts	-	994,934	994,934
Grants - other	-	14,149	14,149
Special events and other	121,854	-	121,854
Programs and services	6,885	-	6,885
Investment return	17,863	-	17,863
Miscellaneous	1,626	-	1,626
Net assets released from restrictions	1,036,356	(1,036,356)	-
Total Revenue and Other Support	1,346,545	(6,113)	1,340,432

EXPENSES

PROGRAM SERVICES

Direct client expenses	333,046	-	333,046
Shelter expenses	362,121	-	362,121
Educational services	160,496	-	160,496
Total Program Services	855,663	-	855,663

SUPPORTING SERVICES

Management and general	362,924	-	362,924
Fund-raising	142,457	-	142,457
Total Supporting Services	505,381	-	505,381

Total Expenses

	1,361,044	-	1,361,044
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Change in Net Assets

	(14,499)	(6,113)	(20,612)
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Net Assets - Beginning of Year

	914,610	128,239	1,042,849
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Net Assets - End of Year

	\$ 900,111	\$ 122,126	\$ 1,022,237
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The accompanying notes are an integral part of these financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Shasta Women's Refuge, Inc.

	Program Services				Supporting Services		
	Direct Client	Shelter	Educational Services	Total	Management and General	Fund-raising	Total Expenses
For the Year Ended June 30, 2008							
Salaries and wages	\$ 262,019	\$ 304,726	\$ 117,919	\$ 684,664	\$ 237,444	\$ 60,352	\$ 982,460
Advertising	2,526	836	398	3,760	43,894	6,287	53,941
Bank charges	-	-	37	37	4,175	1,187	5,399
Crisis line volunteer payments	7,673	-	-	7,673	-	-	7,673
Depreciation	-	-	-	-	21,620	-	21,620
Dues and subscriptions	1,188	325	60	1,573	1,589	560	3,722
Emergency shelter and support	1,720	2,738	-	4,458	-	-	4,458
Food	118	6,200	6,720	13,038	-	21,867	34,905
Insurance	2,577	5,874	1,288	9,739	1,288	368	11,395
Mileage	245	55	2,152	2,452	205	95	2,752
Miscellaneous	612	1,295	183	2,090	2,900	743	5,733
Postage	728	339	140	1,207	5,071	7,032	13,310
Printing and publications	125	48	119	292	190	13,564	14,046
Professional services	236	570	7,327	8,133	29,509	-	37,642
Repairs and maintenance	9,022	8,003	6,563	23,588	2,318	4,212	30,118
Sales tax and license fees	-	127	-	127	50	4,642	4,819
Staff appreciation	6	164	40	210	1,454	-	1,664
Supplies	4,365	10,000	2,538	16,903	2,073	14,534	33,510
Telephone	9,560	3,348	2,126	15,034	1,102	259	16,395
Training	1,706	738	455	2,899	427	133	3,459
Travel	675	589	-	1,264	-	-	1,264
Utilities	3,747	9,697	-	13,444	1,773	268	15,485
Vehicle expenses	-	3,483	38	3,521	-	-	3,521
Total Expenses	\$ 333,046	\$ 362,121	\$ 160,496	\$ 855,663	\$ 362,924	\$ 142,457	\$ 1,361,044

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS*Shasta Women's Refuge, Inc.*

Year Ended June 30, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (20,612)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	21,620
Changes in operating assets and liabilities:	
Accounts receivable	(77,466)
Rent contribution receivable	10,316
Prepaid expenses	530
Accounts payable and accrued expenses	(15,379)
Deferred revenue	33,196
Other assets	(1,458)
Net Cash Used by Operating Activities	(49,253)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant, and equipment	(17,481)
Net Cash Used by Investing Activities	(17,481)
Net Decrease in Cash	(66,734)
Cash - Beginning of Year	605,569
Cash - End of Year	\$ 538,835

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND DESCRIPTION OF OPERATIONS

Organization - Shasta Women's Refuge, Inc. (the Organization), was organized on October 10, 1979, as a nonprofit California corporation. The primary purpose of the Organization is to provide assistance, counseling, and housing without charge to women who are victims of domestic violence or sexual assault.

A material part of the Organization's financial support is dependent on three annually renewable grants from the Office of Criminal Justice Planning and three grants from the Department of Health and Human Services. In addition, they receive federal and state funds to operate specific programs. The loss of any one of these grants would have a materially adverse effect on the Organization.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no permanently restricted net assets at June 30, 2008.

Revenues and Other Support - Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. At June 30, 2008, no allowance was deemed necessary.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Property, Buildings, and Equipment - Purchased property, buildings, and equipment are carried at cost, and donated equipment is carried at fair market value as of the date of donation, as determined by the Organization. Depreciation of the building and equipment is provided using the straight-line method over 30 years for buildings and 10 years for equipment. Method over five years. Vehicles are depreciated using the straight-line method over five years.

Advertising - Advertising costs are expensed when incurred.

Income Taxes - The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and California Revenue Code Section 23701d, respectively. Accordingly, no provision for income taxes has been provided.

Cash and Cash Equivalents - The Organization considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization maintains its cash balances at various financial institutions, and at times such balances may be in excess of the Federal Deposit Insurance Corporation limit.

Donated Materials, Services, and Facilities - The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as donations in the accompanying statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services as no objective basis is available to measure the value of such services. Nevertheless, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services.

The Organization leases facilities under a long-term operating lease agreement in which the monthly rental amount is below the fair market rental rate for these facilities. The financial statements include a rent contribution receivable and offsetting temporarily restricted net asset for the net present value (discounted at 8.44%) of the difference between the rental payment and the fair market rent. Rent expense was increased by \$19,920, representing the fair market rent in excess of the cash rent payments, and contributions revenue was increased by \$9,605 to recognize the annual change in the discounted rent contribution receivable as of June 30, 2008.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. PROPERTY, BUILDINGS, AND EQUIPMENT

Property, buildings, and equipment are as follows:

Land	\$ 23,250
Buildings and improvements	274,505
Furnishings and equipment	226,333
Vehicles	36,085
Subtotal	560,173
Less accumulated depreciation	375,210
Property, Buildings, and Equipment - Net	\$ 184,963

Property, buildings, and equipment acquired by the Organization are considered to be owned by the Organization. However, grant funding sources maintain equitable interest in property purchased by grant monies, as well as the right to determine the use of any proceeds from the sale of these assets. Grantors have a reversionary interest in assets purchased with those funds.

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The Organization are considered to be owned by the Organization. However, grant funding sources maintain equitable interest in property purchased by grant monies, as well as the right to determine the use of any proceeds from the sale of these assets. Grantors have a reversionary interest in assets purchased with those funds.

3. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are restricted for the following purposes:

Rent contribution receivable	\$ 112,478
Program services	9,648
Total Temporarily Restricted Net Assets	\$ 122,126

4. COMMITMENTS AND CONTINGENCIES

Operating Leases

The Organization leases facilities and copiers under operating leases expiring in various years through May 2016. Rental expense for these leases for the year ended June 30, 2008, was \$51,753.

Future minimum lease rental payments with initial or remaining noncancelable lease terms in excess of one year at June 30, 2008, are as follows:

2009	\$ 14,940
2010	\$ 14,940
2011	\$ 14,940
2012	\$ 6,600
2013	\$ 6,600

Federal and State Allowances, Awards, and Grants

The Organization has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, management believes that any required reimbursement will not be material.

SUPPLEMENTAL INFORMATION SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2008

Shasta Women's Refuge, Inc.

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
FEDERAL PROGRAMS			
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Governor's Office of Emergency Services			
Domestic Violence	93.671	DV07221053	\$ 63,420
Passed through California Department of Health Services			
Maternal Child and Health - Battered Women's Shelter Program	93.994	05-45069	221,328
Maternal Child and Health - Respect	93.994	05-45624	59,378
Total U.S. Department of Health and Human Services			<u>344,126</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through California Governor's Office of Emergency Services			
Crime Victim Assistance	16.575	RC07241053	123,838
Crime Victim Assistance	16.575	RC07241053	33,800
Domestic Violence	16.575	DV07221053	97,278
SART Victim Advocate Program	16.588	SA06091053	8,379
Domestic Violence	16.588	DV07221053	5,125
Total U.S. Department of Justice			<u>268,420</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed through City of Redding			
Community Development Block Grant	14.218		38,000
Passed through Shasta County Community Action Agency			
Community Development Block Grant	14.218		23,041
Total U.S. Department of Housing and Urban Development			<u>61,041</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed through Shasta County Community Action Agency			
Emergency Food and Shelter Program	97.024	089600-013	8,377
Total Expenditures of Federal Awards			<u>\$ 681,964</u>

The auditors' report should be read with this supplemental information.

**SCHEDULE OF REVENUES AND EXPENDITURES
DOMESTIC VIOLENCE PROGRAM**

Shasta Women's Refuge, Inc.

Grant Award # DV07221053: July 1, 2007, to June 30, 2008

Year Ended June 30, 2008		Actual	Local Match	Totals
REVENUES				
Federal funds	\$	165,822	\$ -	\$ 165,822
State funds		31,708	-	31,708
Local funds		-	43,346	43,346
Total Revenues		197,530	43,346	240,876
EXPENDITURES				
Personal services		177,619	43,346	220,965
Operating expenses		19,914		19,914
Total Expenditures		197,533	43,346	240,879
EXCESS OF GRANT REVENUES OVER (UNDER)				
QUALIFYING EXPENDITURES MADE AND CLAIMED	\$	(3)	\$ -	\$ (3)

Grant period is in accordance with the federal fiscal year.

The auditors' report should be read with this supplemental information.

**SCHEDULE OF REVENUES AND EXPENDITURES
RAPE CRISIS PROGRAM**

Shasta Women's Refuge, Inc.

Grant Award #RC07241053: July 1, 2007, to June 30, 2008

Year Ended June 30, 2008		Actual	Local Match	Totals
REVENUES				
Federal funds	\$	157,638	\$ -	\$ 157,638
State funds		47,894	-	47,894
Local funds		-	31,060	31,060
Total Revenues		205,532	31,060	236,592
EXPENDITURES				
Personal services		169,272	31,060	200,332
Operating expenses		37,904	-	37,904
Total Expenditures		207,176	31,060	238,236
EXCESS OF GRANT REVENUES OVER (UNDER) QUALIFYING EXPENDITURES MADE AND CLAIMED	\$	(1,644)	\$ -	\$ (1,644)

Grant period is in accordance with the federal fiscal year.

The auditors' report should be read with this supplemental information.

**SCHEDULE OF REVENUES AND EXPENDITURES
START VICTIM ADVOCACY PROGRAM**

Shasta Women's Refuge, Inc.

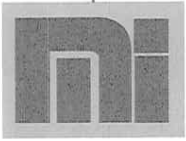
Grant Award #SA06091053: October 1, 2006, to September 30, 2007

Year Ended June 30, 2008	Actual
REVENUES	
Federal funds	\$ 8,379
EXPENDITURES	
Personal services	7,128
Operating expenses	1,251
Total Expenditures	8,379
EXCESS OF GRANT REVENUES OVER (UNDER) QUALIFYING EXPENDITURES MADE AND CLAIMED	\$ -

Grant period is in accordance with the federal fiscal year.

The auditors' report should be read with this supplemental information.

OTHER REPORT SECTION



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Shasta Women's Refuge, Inc.
Redding, California

We have audited the financial statements of Shasta Women's Refuge, Inc. (the Organization), a nonprofit organization, as of and for the year ended June 30, 2008, and have issued our report thereon dated January 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management and employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Shasta Women's Refuge, Inc. (the Organization), a nonprofit organization, as of and for the year ended June 30, 2008, and have issued our report thereon dated January 9, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.

Matson and Isom

January 9, 2009



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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
Shasta Women's Refuge, Inc.
Redding, California

Compliance

We have audited the compliance of Shasta Women's Refuge, Inc. (the Organization), a nonprofit organization, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and requirements referred to above, which could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control over Compliance

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. According to our audit, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

Shasta Women's Refuge, Inc. (the Organization), a nonprofit organization, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The Organization's major federal programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of the Organization's management. Our responsibility is to express an opinion on the Organization's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and requirements referred to above, which could have a direct and material effect on a major federal program, occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

The management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs. In planning and performing our audit, we considered the Organization's internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. According to our audit, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Continued

A control deficiency in an organization's internal control over compliance exists when the design or operation of a control does not allow management and employees in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the organization's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, and pass-through agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Matson and Isom

January 9, 2009

FINDINGS AND QUESTIONS ONED COSTS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2008

Shasta Women's Refuge, Inc.

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Shasta Women's Refuge, Inc. (the Organization).
2. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133.
4. The auditors' report on compliance for the major federal awards programs for the Organization expresses an unqualified opinion on all major federal programs.
5. No audit findings that are required to be reported in accordance with Section 501(a) of OMB Circular A-133 are reported in this schedule.
6. The following programs were tested as major programs at June 30, 2008:

Program Title	Federal CFDA Number
Maternal and Child Health	93.994

7. The threshold for distinguishing Type A and B programs was \$300,000.
8. The Organization qualifies as a low-risk auditee.

**SCHEDULE OF FINDINGS AND
QUESTIONED COSTS**

June 30, 2008

Shasta Women's Refuge, Inc.

B. FINDINGS AND QUESTIONED COSTS

None.

**C. FINDINGS AND QUESTIONED COSTS
MAJOR FEDERAL AWARD PROGRAMS A DIT**

None.

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

June 30, 2008

Shasta Women's Refuge, Inc.

FINDINGS AND QUESTIONED COSTS

INTERNAL CONTROL

Finding 2007-1

Significant Deficiency

Condition

During the audit, we proposed and management made even adjusting and three reclassifying journal entries to financial statement amounts in order to fairly present the financial position and the changes in its net assets for the year ended.

Reason Improvement Needed

It is the responsibility of management to ensure that financial statements are free of material misstatements. A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Cause of Condition

It appears that some of the balance sheet accounts were not properly reconciled to the underlying supporting documents at year-end.

Effect of Condition

Financial statement amounts did not agree to the underlying supporting documents at year-end.

Recommendation

We recommend that management ensure that all of the financial statement amounts are reconciled to the underlying supporting documents at the end of the year before the books are made ready for audit.

Current Status

Fully implemented.

☒ File ☐ Follow-up Letter & File
☐ Suspense

Audit Report Review Form

☒ Closed 2/26/09 Control # 04469

Subrecipient Name: <u>Shasta Women's Refuge, Inc.</u>		
Grant Name: <u>RC, DV & SA</u>		
Date Received by OES: <u>2/13/09</u>	Rec'd w/i 9 months? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Review Date

Fiscal Year Ended: <u>6/30/08</u>
Grant #
Review Performed By: <u>2/26/09</u> Roni Armstrong

SCO TRANSMITTAL LETTER

Did SCO identify any cross-cutting findings? ☐ Yes ☐ No
Did SCO refer any program-specific findings to OES? ☐ Yes ☐ No

☒ N/A
☐ SCO Letter Not Received

AUDIT THRESHOLD

Total OES-related award amount reported in audit <input type="checkbox"/> <\$25K <input checked="" type="checkbox"/> \$25-\$500K <input type="checkbox"/> >\$500K	Type of audit <input checked="" type="checkbox"/> FS
Federal award total reported in audit <input type="checkbox"/> <\$500 <input checked="" type="checkbox"/> =>\$500K <input type="checkbox"/> Not shown	Type of report Type of audit

Report required <input type="checkbox"/> Single Audit <input type="checkbox"/> Grant-Specific
Received: <input checked="" type="checkbox"/> FS <input type="checkbox"/> SAR <input type="checkbox"/> Grant-Specific
Report appropriate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

AUDIT QUALIFIERS - REQUIRED ITEMS

SINGLE AUDIT REPORTS	GRANT-SPECIFIC REPORTS / FINANCIAL STATEMENTS
Auditor's Report: <input type="checkbox"/> No report "...presents fairly the financial position... in conformity with generally accepted accounting principles" <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report makes reference to separate reports on compliance & internal controls <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Auditor's Report: <input type="checkbox"/> No report Report describes scope of testing, e.g., "We have audited the..." <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included "...audit conducted ... in conformity with generally accepted accounting principles" <input type="checkbox"/> Yes <input type="checkbox"/> No
Financial Statement: Report on internal control describes scope of testing, e.g., "We have audited the..." <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included Report includes a statement that report complies with: <input type="checkbox"/> GAS <input type="checkbox"/> GAGAS <input checked="" type="checkbox"/> GAS or GAGAS and GAAS <input type="checkbox"/> No Statement (for public accountants)	Report includes language: "schedule [financial statement/grant statement] presents fairly...the status of funds & related expenditures [financial operations] of the [selected grants]." <input type="checkbox"/> Yes <input type="checkbox"/> No Report makes reference to separate reports on compliance & internal controls <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> No letter
Major Programs: Report includes an opinion (or disclaimer) that report complies with laws, regulations & provisions of contracts or grant agreements <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Report includes language: "schedule of expenditures of federal awards is presented fairly... in relation to the financial statement taken as a whole." <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Report on Compliance & Internal Controls: Report on internal control describes scope of testing, e.g., "We have audited the..." <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not included Report includes a statement that report complies with: <input type="checkbox"/> GAS <input type="checkbox"/> GAGAS <input type="checkbox"/> GAS or GAGAS and GAAS <input type="checkbox"/> No Statement (for public accountants) Report includes an opinion (or disclaimer) that report complies with laws, regulations & provisions of contracts or grant agreements <input type="checkbox"/> Yes <input type="checkbox"/> No OES audit program & handbook <input type="checkbox"/> Yes <input type="checkbox"/> No
Report contains: Schedule of expenditures of federal awards by agency and pass-through entity <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Identifying CFDA # <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Statement that audit was conducted in accordance with OMB circular A-133 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Notes describing significant accounting policies (review contents) <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Prior year findings with status <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Report contains: Grant number (grant-specific) <input type="checkbox"/> Yes <input type="checkbox"/> No Audit program <input type="checkbox"/> Yes <input type="checkbox"/> No Notes describing significant accounting policies (review contents) <input type="checkbox"/> Yes <input type="checkbox"/> No Prior year findings with status <input type="checkbox"/> Yes <input type="checkbox"/> No